

ATTORNEY

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, there may be exceptions to these general rules.

Items to be completed in Proof of Claim form**Court, Name of Debtor, and Case Number:**

Fill in the federal judicial district where the bankruptcy case was filed (for example, District of Delaware), the bankruptcy debtor's name, and the bankruptcy case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is located at the top of the notice.

Creditor's Name and Address:

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:

State the total amount owed to the creditor on the date of the Bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on the delivery of health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if the trustee or another party in interest files an objection to your claim.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

3a. Debtor May Have Scheduled Account As:

Use this space to report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

4. Secured Claim:

Check the appropriate box and provide the requested information if the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See DEFINITIONS, below.) State the type and the value of property that secures the claim, attach copies of lien documentation, and state annual interest rate and the amount past due on the claim as of the date of the bankruptcy filing.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. § 507(a):

If any portion of your claim falls in one or more of the listed categories, check the appropriate box(es) and state the amount entitled to priority. (See DEFINITIONS, below.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6. Claim Pursuant to 11 U.S.C. §503(b)(9):

Check this box if you have a claim arising from the value of any goods received by the Debtor within 20 days before September 7, 2011, the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of the Debtor's business. Attach documentation supporting such claim. (See DEFINITIONS, below.)

7. Credits:

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

8. Documents:

Attach to this proof of claim form redacted copies documenting the existence of the debt and of any lien securing the debt. You may also attach a summary. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary. FRBP 3001(c) and (d). If the claim is based on the delivery of health care goods or services, see instruction 2. Do not send original documents, as attachments may be destroyed after scanning.

Date and Signature:

The person filing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what constitutes a signature. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. Attach a complete copy of any power of attorney. Criminal penalties apply for making a false statement on a proof of claim.

DEFINITIONS**Debtor**

A debtor is the person, corporation, or other entity that has filed a bankruptcy case.

Creditor

A creditor is the person, corporation, or other entity owed a debt by the debtor on the date of the bankruptcy filing. See 11 U.S.C. § 101(10).

Claim

A claim is the creditor's right to receive payment on a debt owed by the debtor on the date of the bankruptcy filing. See 11 U.S.C. § 101(5). A claim may be secured or unsecured.

Proof of Claim

A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. The creditor must file the form with the clerk of the same bankruptcy court in which the bankruptcy case was filed.

Secured Claim Under 11 U.S.C. § 506(a)

A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car.

A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien. A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

Unsecured Claim

An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

Claim Entitled to Priority Under 11 U.S.C. § 507(a)

Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

Redacted

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor should redact and use only the last four digits of any social-security, individual's tax-identification, or financial-account number, all but the initials of a minor's name and only the year of any person's date of birth.

Evidence of Perfection

Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

INFORMATION**Acknowledgment of Filing a Claim**

To receive acknowledgment of your filing, please enclose a stamped self-addressed envelope and a copy of this proof of claim. You may view a list of filed claims in this case by visiting the Claims and Noticing Agent's website at <http://www.kcclic.net/newpage>

Offers to Purchase a Claim

Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 *et seq.*), and any applicable orders of the bankruptcy court.

PLEASE SEND COMPLETED PROOFS OF CLAIM TO:

NewPage Claims Processing Center
c/o Kurtzman Carson Consultants LLC
2335 Alaska Avenue
El Segundo, CA 90245

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DELAWARE DIVISION**

In re:)	
)	Case No. 11-12807
NEWPAGE WISCONSIN SYSTEMS, INC.,)	
)	Chapter 11
Debtor.)	

**PROOF OF CLAIM OF THE UNITED STATES, ON BEHALF OF THE
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY AND
THE UNITED STATES DEPARTMENT OF THE INTERIOR**

1. The United States files this Proof of Claim at the request of the United States Environmental Protection Agency ("EPA") and the United States Department of the Interior ("DOI") against debtor NewPage Wisconsin Systems, Inc. (the "Debtor") for the recovery of response costs, natural resource damages, and assessment costs in connection with the Lower Fox River and Green Bay Site (the "Site" or "Fox River Site") in northeastern Wisconsin. The Debtor is liable to the United States for the aforementioned costs and damages pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), 42 U.S.C. §§ 9601-9675.

Fox River Site

2. The Fox River Site includes approximately 39 miles of the Lower Fox River (the "Fox River") as well as the bay of Green Bay (the "Bay"). The Fox River portion of the Site extends from the outlet of Lake Winnebago and continues downstream to the mouth of the Fox River at the City of Green Bay. The Bay portion of the Site extends from the mouth of the Fox River at the City of Green Bay to the point where the bay of Green Bay enters Lake Michigan. The Site has been divided into five geographically-defined Operable Units ("OUs"), as described

in the Records of Decision (“RODs”) for the Site issued by EPA: OU 1 - Little Lake Butte des Morts; OU 2 - Appleton to Little Rapids; OU 3 - Little Rapids to DePere; OU 4 - DePere to Green Bay; and OU 5 - the Bay of Green Bay.

3. Multiple paper production facilities have operated for many years along the Fox River. Some of those facilities manufactured a special type of carbonless copy paper that contained polychlorinated biphenyls (“PCBs”). Other facilities along the river used PCB-containing carbonless copy paper as feedstock for the production of other paper products. By both the production of carbonless copy paper and the reprocessing of carbonless copy paper as feedstock, PCBs were released from paper production mills either directly to the Fox River, or indirectly, after passing through publicly-owned wastewater treatment plants. PCBs that were discharged to the Fox River contaminated sediments in the Fox River and the Bay.

4. On November 14, 2007, EPA issued a Unilateral Administrative Order (“UAO”), Docket No. V-W-08-C-885, to eight responsible parties (“UAO Recipients”). The Debtor was not a UAO Recipient. Under the UAO, the UAO Recipients are required to, *inter alia*, implement the remedy selected by EPA for OU 2 through OU 5 at the Site.

5. One or more corporate predecessors of the Debtor – including Consolidated Papers, Inc. – owned and/or operated a paper production facility on East John Street in Appleton, Wisconsin (the “Consolidated Appleton Facility”). NewPage Wisconsin Systems, Inc. is, *inter alia*, a corporate successor by merger to Consolidated Papers Inc., which owned and operated the Consolidated Appleton Facility until at least the 1980s. NewPage Wisconsin Systems, Inc. and its corporate predecessors are collectively referred to herein as the “Debtor.”

6. The Consolidated Appleton Facility discharged wastewater containing PCBs directly to the Lower Fox River while the Facility was owned and operated by the Debtor.

7. The Fox River Site is contaminated with PCBs, a hazardous substance and probable human carcinogen, as a result of disposal of PCB-contaminated wastewater that the Debtor and other responsible parties discharged to the Fox River (either directly or indirectly).

8. The Debtor therefore owned and operated a facility at the time of disposal of a hazardous substances at that facility, and there were releases of hazardous substances from the facility to the Site.

9. On October 14, 2010, the United States and the State of Wisconsin filed a district court action against the Debtor and certain other parties seeking various forms of relief under CERCLA for the Fox River Site. That case is captioned *United States and the State of Wisconsin v. NCR Corp., et al.*, Case No. 10-C-910 (E.D. Wis.) (the “District Court Action”). In the District Court Action, the United States has asserted causes of action seeking the imposition of joint and several liability against the Debtor, along with other parties, for: (i) payment of unreimbursed past response costs that the United States has incurred in connection with the Fox River Site; (ii) a declaratory judgment establishing liability for all future costs of response actions at OU2 through OU5 at the Fox River Site; and (iii) payment of natural resource damages resulting from the release of hazardous substances at the fox River Site. After the Debtor filed its petition for relief under Chapter 11 of the Bankruptcy Code, the United States and the State sought and obtained a judicial declaration in the District Court Action that the pursuit of their causes of action against the Debtor in the District Court Action is excepted from the Bankruptcy Code’s automatic stay under the police and regulatory power exception to the automatic stay, 11 U.S.C. § 362(b)(4). See *United States v. NCR Corp.*, No. 10-C-910, slip op. at 3 (E.D. Wis.

Jan. 12, 2012). Consistent with the district court's order, the United States presently intends to litigate its CERCLA claims against the Debtor for the Fox River Site in the District Court Action, but the United States would only enforce any resulting judgment against the Debtor in accordance with the bankruptcy claims resolution process.

10. This Proof of Claim does not assert claims against the Debtor for any response costs associated solely with OU 1 at the Fox River Site. However, the Debtor is liable for other response costs and natural resources damages, as alleged below.

Claim for Response Costs

11. CERCLA Section 107(a), 42 U.S.C. § 9607(a), provides in pertinent part:

Notwithstanding any other provision or rule of law, and subject only to the defenses set forth in subsection (b) of this section –

* * *

(2) any person who at the time of disposal of any hazardous substance owned or operated any facility at which such hazardous substances were disposed of,

(3) any person who by contract, agreement, or otherwise arranged for disposal or treatment, or arranged with a transporter for transport for disposal or treatment, of hazardous substances owned or possessed by such person . . . at any facility . . . owned or operated by another party or entity and containing such hazardous substances, and

. . . from which there is a release [of a hazardous substance], or a threatened release which causes the incurrence of response costs . . . , shall be liable for –

. . . all costs of removal or remedial action incurred by the United States Government . . . not inconsistent with the national contingency plan

* * *

The amounts recoverable in an action under this section shall include [prejudgment] interest on the amounts recoverable under [the foregoing provisions]

Liability under CERCLA is strict, and each responsible party is jointly and severally liable to the United States unless that party demonstrates that the harm is divisible and a reasonable basis for apportionment exists.

12. The Fox River Site and Consolidated Appleton Facility are each a “facility” from which there have been actual and threatened “releases” of “hazardous substances” which have caused, and will continue to cause, the United States to incur costs of “response” not inconsistent with the National Contingency Plan, 40 C.F.R. Part 300 – all within the meaning of CERCLA Sections 101(9), 101(14), 101(22), 101(25), 102(a), and 107(a), 42 U.S.C. §§ 9601(9), 9601(14), 9601(22), 9601(25), 9602(a), and 9607(a).

13. Pursuant to CERCLA Section 107(a), 42 U.S.C. § 9607(a), the Debtor is jointly and severally liable to the United States, along with other responsible parties, for all unreimbursed responses costs incurred and to be incurred by the United States in connection with releases from the Consolidated Appleton Facility to the Fox River Site, and releases and threatened releases from the Site itself, plus interest on such costs, as the owner or operator of the Consolidated Appleton Facility at the time of disposal of hazardous substances, within the meaning of Section 107(a)(2) of CERCLA, 42 U.S.C. § 9607(a)(2).

14. Through September 30, 2011, EPA has incurred \$21,596,010 in unreimbursed response costs in connection with the Fox River Site, not including interest. EPA presently estimates that it will likely incur a net total of at least \$22 million in future response costs in overseeing cleanup work that responsible parties are obligated to perform under the UAO.

15. EPA estimates that the work required by the UAO will cost approximately \$700 million to perform. Through the end of 2011, the UAO Recipients had expended approximately \$305 million to perform work under the UAO. Accordingly, EPA estimates it will cost an additional \$395 million to complete the work required by the UAO.

16. The United States hereby asserts a claim against the Debtor for: (i) at least \$21,596,010 in unreimbursed past response costs that EPA has incurred for the Fox River Site, plus statutory prejudgment interest on such costs; and (ii) an estimated \$417 million in future response costs for OU2 though OU5 at the Fox River Site, including an estimated \$395 million in remedial action costs and an estimated \$22 million in oversight costs. Other parties may, along with the Debtor, also be jointly and severally liable to the United States for the foregoing amounts.

Claim for Natural Resource Damages and Assessment Costs

17. CERCLA Sections 107(a) and 107(f), 42 U.S.C. §§ 9607(a) and 107(f), provide for the recovery of damages for injury to, or destruction or loss of, natural resources resulting from the release of hazardous substances to the environment. Injured resources may include, but are not limited to, birds, mammals, fish, plants, and their supporting habitats. The United States, through DOI, is authorized to act on behalf of the public as a trustee of natural resources to recover the aforementioned damages, as well as the reasonable costs of assessing the injury to, or destruction or loss of, natural resources (hereinafter referred to collectively as “natural resource damages”).

18. As an owner and/or operator of the Consolidated Appleton Facility at the time of disposal of hazardous substances at that facility, the Debtor is jointly and severally liable to the United States,

along with other responsible parties, for damages for injuries to natural resources resulting from the release of hazardous substances from the Consolidated Appleton Facility and the Fox River Site.

19. Under CERCLA and DOI's natural resource damage assessment regulations, codified at 43 C.F.R. Part 11, the measure of damages includes the cost to restore, replace, or acquire the equivalent of the injured natural resources, plus the reasonable costs of assessing the damages. Because the remedial action at the Fox River Site has not been completed, the eventual amount of natural resource damages, including the reasonable costs of assessing the existence and extent of such damages, cannot be stated with certainty in this proof of claim. However, applying standardized estimation techniques prescribed by DOI's regulations, the United States presently estimates that the total natural resource damages for the Site are between \$280 million and \$419 million, which includes: (i) between at least \$223 million and \$333 million in past interim losses and present and future losses in year 2000 dollars, as estimated by a DOI Restoration and Compensation Determination Plan issued on October 25, 2000; (ii) an additional \$57 million to \$86 million to adjust those figures to year 2010 dollars; and (iii) approximately \$9 million in assessment costs.

20. DOI and its co-trustees for natural resources at and near the Fox River Site have obtained partial recoveries for natural resource damages, totaling approximately \$41 million; so the remaining natural resource damages for the Site are in the range of at least \$239 million to \$378 million. This Proof of Claim is filed for those remaining natural resource damages. Other parties may, along with the Debtor, also be liable to the United States under CERCLA with respect to natural resource damages at the Site.

Debtor-Owned Sites

21. The Debtor has or may in the future have environmental liabilities for properties that are part of its bankruptcy estate and/or for the migration of hazardous substances from property of its bankruptcy estate. Pursuant to 28 U.S.C. § 959(b), the Debtor is required to manage and operate estate property in accordance with non-bankruptcy law, including all applicable environmental statutes and regulations. Further, any reorganized debtor will be subject to liability under environmental law with respect to any property it owns or operates. The United States is not required to file a proof of claim relating to property of the estate other than for: (i) response costs incurred before the petition date; and (ii) civil penalties for days of violation occurring before the petition date. This Proof of Claim is only filed protectively with respect to any post-petition liabilities and response costs relating to property of the estate. The United States is entitled to administrative expense priority for, *inter alia*, any response costs it incurs with respect to property of the estate after the petition date. The United States reserves the right to file an application for administrative expenses and to take other appropriate action in the future with respect to property of the estate.

Protective Filing For Injunctive/Work Obligations

22. The United States is not required to file a proof of claim with respect to the Debtor's injunctive obligations to comply with work requirements arising under orders of courts, administrative orders, and other environmental regulatory requirements imposed by law that are not claims under 11 U.S.C. § 101(5). The Debtor and any reorganized debtor(s) must comply with such mandatory injunctive and regulatory and compliance requirements. The United States reserves the right to take future actions to enforce any such obligations of the Debtor. While the United States believes that its position will be upheld by the Court, the United States has filed this proof of claim only in protective

fashion with respect to such obligations and requirements as indicated herein to protect against the possibility that the Debtor will contend that it does not need to comply with any such obligations and requirements and the Court finds that it is not required to do so. Therefore, a protective contingent claim is filed in the alternative for such obligations and requirements but only in the event that the Court finds that such obligations and requirements are dischargeable claims under 11 U.S.C. § 101(5) rather than obligations and requirements that the Debtor, as a debtor-in-possession and as reorganized, must comply with. Nothing in this Proof of Claim constitutes a waiver of any rights of the United States or an election of remedies with respect to such rights and obligations.

23. RCRA Compliance and Work Obligations. Consistent with the foregoing, this Proof of Claim is filed in a protective manner with respect to any and all compliance and work obligations of the Debtor under the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. §§ 6901-6992k. RCRA establishes a comprehensive regulatory program for generators of hazardous waste and for owners and operators of facilities that treat, store, or dispose of hazardous waste. Pursuant to RCRA, EPA has promulgated regulations applicable to generators and owners and operators of hazardous waste management facilities. The federal RCRA implementing regulations are set forth at 40 C.F.R. Part 260 *et seq.* Pursuant to RCRA Section 3006, 42 U.S.C. § 6926, EPA has authorized certain states to administer various aspects of the hazardous waste management program in such states. Pursuant to RCRA Section 3008(a), 42 U.S.C. § 6928(a), these authorized state hazardous waste management program are enforceable by EPA. Under RCRA, regulated entities are required, *inter alia*, to operate in compliance with RCRA regulatory requirements, implement closure and post-closure work and corrective action work, and perform any necessary action with respect to any imminent and substantial

endangerment to health or the environment, as required by RCRA and/or RCRA permits, consent decrees, or administrative orders. *See, e.g.*, 42 U.S.C. §§ 6924, 6928, 6973. The Debtor is liable for any and all injunctive and compliance obligations that it is required to perform under RCRA, RCRA permits, and RCRA administrative orders. It is the United States' position that a proof of claim is not required to be filed for injunctive, compliance, and regulatory obligations and requirements under RCRA.

Additional Terms

24. This Proof of Claim is filed as an unsecured non-priority claim, except to the extent: (i) any rights of setoff secure the United States' claims; (ii) any secured/trust interest exists in insurance, indemnity, or escrow proceeds; and (iii) administrative priority exists with respect to property of the estate, post-petition violations of law, or otherwise. The United States will file any application for administrative expenses at the appropriate time.

25. This Proof of Claim is filed to the extent necessary to protect the United States' rights to any insurance or indemnity proceeds, and any funds held in escrow, in connection with the matters discussed herein.

26. This Proof of Claim is without prejudice to any right under 11 U.S.C. § 553 to set off, against this claim, debts owed (if any) to Debtor by the Government or any federal agency.

27. The United States has not perfected any security interest on its claims against the Debtor.

28. No judgments against the Debtor have been rendered on the claims set forth herein.

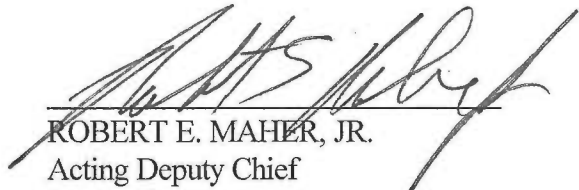
29. No payments to the United States have been made by the Debtor on the claims set forth herein, although certain response costs and natural resource damages have been paid to the United States by other responsible parties, as referenced above.

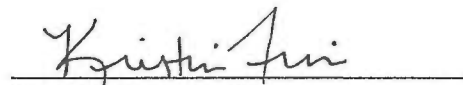
30. This Proof of Claim reflects certain known liabilities of the Debtor to the United States. The United States reserves the right to amend this Proof of Claim to assert additional liabilities, including but not limited to liabilities for additional costs and damages for the matters discussed herein.

31. Additional documentation in support of this Proof of Claim is too voluminous to attach, but is available upon request. The Debtor has already received much of this information or made aware of this information as part of the on-going District Court Action as well as the related litigation in the Eastern District of Wisconsin, WCG Appleton Papers Inc. et. al, v. George A Whiting Paper Co., et. al, Dkt. No. 02-cv-00016. Such supporting documentation includes but is not limited to the Administrative Records for the Site, EPA's cost documentation, and DOI's natural resources damages assessment.

Dated: March 1, 2012

Respectfully submitted,


ROBERT E. MAHER, JR.
Acting Deputy Chief
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United States Department of Justice


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